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H. R. 1796

To amend title 5, United States Code, to provide that any Federal employee who, at the time of retirement, does not elect a reduced annuity in order to provide a survivor annuity to a spouse or other person may make such an election within one year after retiring, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 1983

Mr. LEHMAN of Florida introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To amend title 5, United States Code, to provide that any Federal employee who, at the time of retirement, does not elect a reduced annuity in order to provide a survivor annuity to a spouse or other person may make such an election within one year after retiring, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 8339 of title 5, United States Code, relating to
4 computation of annuity, is amended by adding at the end
5 thereof the following new subsection:

1 “(o)(1) An employee or Member who, at the time of re-
2 tiring—

3 “(A) if married, notifies the Office under subsec-
4 tion (j) of this section that he does not desire any
5 spouse surviving him to receive an annuity under sec-
6 tion 8341(b) of this title; or

7 “(B) if unmarried, does not elect a reduced annu-
8 ity under subsection (k)(1) of this section;
9 may, during the twelve month period beginning on the date
10 of the retirement of such employee or Member, elect a re-
11 duced annuity with a survivor annuity under subsection (j) or
12 (k)(1) of this section, as the case may be, if, during such
13 period, such employee or Member deposits into the Fund the
14 amount specified in paragraph (2) of this subsection.

15 “(2) The amount to be paid under paragraph (1) of this
16 subsection is an amount equal to the sum of—

17 “(A) the full amount by which the annuity paid to
18 such employee or Member would have been reduced for
19 the period beginning on the date of his retirement and
20 ending on the date on which he makes an election
21 under paragraph (1) of this subsection if he had elected
22 at the time of retirement to receive a reduced annuity
23 under subsection (j) or (k)(1) of this section, as the case
24 may be; plus

1 “(B) interest on such amount at the average
2 annual interest rate earned during such period by secu-
3 rities held by the fund.

4 “(3) An election by an employee or Member under para-
5 graph (1) of this subsection voids prospectively any election
6 previously made by such employee or Member under subsec-
7 tion (j) or (k)(1) of this section.

8 “(4) An annuity which is reduced by reason of an elec-
9 tion made under paragraph (1) of this subsection shall be re-
10 duced by the same percentage reductions as were in effect at
11 the time of the retirement of the employee or Member whose
12 annuity is so reduced.

13 “(5) Rights and obligations resulting from the election of
14 any reduced annuity under this subsection shall be the same
15 as those rights and obligations which would have resulted
16 had the employee or Member involved elected such annuity
17 at the time of retiring.

18 “(6) The Office shall, on an annual basis, inform each
19 employee and Member of the right of election under this sub-
20 section, including the procedures and applicable deadlines in
21 making any such election.”.

22 SEC. 2. (a) Section 8339(j) of title 5, United States
23 Code, is amended by adding at the end thereof the following
24 new paragraph:

1 “(3) An employee or Member who, at the time of retire-
2 ment, elects not to receive a reduced annuity under this sub-
3 section may, as provided in subsection (o) of this section,
4 later elect to receive such an annuity.”.

5 (b) The first sentence of section 8339(k)(1) of title 5,
6 United States Code, is amended—

7 (1) by inserting “or as provided in subsection (o)
8 of this section” before “, an unmarried employee”; and

9 (2) by inserting after “retired employee or
10 Member” the following: “, except that an election
11 under subsection (o) of this section may be made only
12 with respect to an individual who had an insurable in-
13 terest in such employee or Member at the time of the
14 retirement of such employee or Member”.

15 (c) Subsections (f), (j)(1), (k)(1), (l), and (m) of section
16 8339 of title 5, United States Code, are each amended by
17 striking out “and (o)” and inserting in lieu thereof “and (n)”.

18 SEC. 3. (a) Subject to the provisions of subsection (b),
19 the amendments made by the first two sections of this Act
20 shall apply with respect to employees and Members retiring
21 before, on, or after the date of the enactment of this Act.

22 (b) For purposes of applying the provisions of paragraph
23 (1) of section 8339(o) of title 5, United States Code (as added
24 by the first section of this Act) to employees and Members
25 retiring before the date of the enactment of this Act—

1 (1) the period referred to in such paragraph shall
2 be considered to begin on the date of the enactment of
3 this Act; and

4 (2) the amount referred to in such paragraph shall
5 be computed without regard to the provisions of para-
6 graph (2)(B) of such section 8339(o) respecting interest.

7 SEC. 4. (a) Any employee or Member who—

8 (1) retired before the date of the enactment of this
9 Act;

10 (2) was married at the time of retirement; and

11 (3) designated under section 8339(j) of title 5,
12 United States Code, that a certain portion of the annu-
13 ity of such employee or Member be used as the base
14 for a survivor annuity under section 8341(b) of such
15 title;

16 may, during the twelve month period beginning on such date,
17 designate that a greater portion of the annuity of such em-
18 ployee or Member be used as the base for such survivor an-
19 nuity if, during such period, such employee or Member
20 deposits into the Civil Service Retirement and Disability
21 Fund the amount specified in subsection (b).

22 (b) The amount to be paid under subsection (a) is an
23 amount equal to the difference, for the period beginning on
24 the date of his retirement and ending on the date on which he
25 makes a designation under subsection (a), between the full

1 amount of the annuity paid to such employee or Member
2 under subchapter III of chapter 83 of title 5, United States
3 Code, and the amount of the annuity which would have been
4 paid to such employee or Member under such subchapter if
5 the designation under subsection (a) had been made at the
6 time of retirement.

7 (c) A designation by an employee or Member under sub-
8 section (a) voids prospectively any designation previously
9 made by such employee or Member under section 8339(j) of
10 title 5, United States Code.

11 (d) For purposes of subsection (b), in determining the
12 amount of the annuity which would have been paid to an
13 employee or Member for the period described in such subsec-
14 tion, the percentage reductions which were in effect at the
15 time of the retirement of such employee or Member shall be
16 used.

17 (e) The Office of Personnel Management shall, as soon
18 as practicable after the date of the enactment of this Act,
19 inform each former employee or Member referred to in sub-
20 section (a) of the right to make a designation under this sec-
21 tion, including the procedures and deadlines applicable in
22 making any such designation.

23 SEC. 5. Under such regulations as the Office of Person-
24 nel Management may prescribe, any employee or Member re-
25 tiring more than one year before the date of the enactment of

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1 this Act may elect to have the amount required to be depos-
2 ited into the Civil Service Retirement and Disability Fund
3 under section 8339(o)(1) of title 5, United States Code (as
4 added by the first section of this Act) or section 4(a) of this
5 Act be payable in installments over a period of not more than
6 five years.

7 SEC. 6. For purposes of this Act, the terms "employee"
8 and "Member" each has the meaning given such term under
9 subchapter III of chapter 83 of title 5, United States Code.

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